



**Water & Wastewater Commission  
Review and Recommendation**

<b>Commission Meeting Date:</b>	August 8, 2018
<b>Council Meeting Date:</b>	August 23, 2018
<b>Department:</b>	Purchasing
<b>Client:</b>	Chris Stewart and David Anders

**Agenda Item**

Authorize negotiation and execution of a cooperative contract with **Software One, Inc.**, for a Microsoft Office 365 Enterprise License Agreement for all City departments, for a term of three years in an amount not to exceed \$23,231,000. This is a multi-department contract. Austin Water's requested authorization is \$1,883,481.

**Amount and Source of Funding**

Funding in the amount of \$52,319 is available in the Fiscal Year 2017-2018 Operating Budget of Austin Water. Funding for the remaining contract term is contingent upon available funding in future budgets.

<b>Purchasing Language:</b>	Multiple cooperative purchase programs were reviewed for these services. The Purchasing Office has determined this contractor best meets the needs of the departments to provide the services required at the best value for the City.
<b>Prior Council Action:</b>	N/A
<b>Boards and Commission Action:</b>	July 16, 2018 – Recommended by the Electric Utility Commission on a 9-0 vote with Commissioner Funkhouser absent and one vacancy. August 8, 2018 - To be reviewed by the Water and Wastewater Commission.
<b>MBE/WBE:</b>	This procurement was reviewed for subcontracting opportunities in accordance with City Code Chapter 2-9C Minority Owned and Women Owned Business Enterprise Procurement Program. For the services required for this procurement, there were no subcontracting opportunities; therefore, no subcontracting goals were established.

The contract is for a new Microsoft Enterprise License Agreement (MSELA) to purchase various Microsoft Cloud products for use in all City departments. Cloud computing is internet-based computing in which large groups of remote servers are networked to allow centralized data storage and online access to computer services and resources. Office 365 is the Microsoft Office suite in the Cloud. The City will be able to continue moving forward with mobility and features that will allow more advantages for remote office work. Office 365 is a subscription service that keeps users up-to-date with the latest versions of Office applications.

Some of the functionality gained for each user through this contract for Office 365 includes:

#### Microsoft Office

- Latest Office and Office Web Apps (Word, Excel, PowerPoint)
- Desktop, phone, tablet, and web versions

#### SharePoint Online

- Online and offline file services
- Share documents with external partners
- E-Discovery for public information requests and subpoenas

#### Microsoft Skype for Business

- Secure instant messaging and presence
- Online meeting and desktop sharing
- Person to person video conferencing
- Seamless integration with Outlook address book

#### Exchange Online

- 50GB mailbox, unified messaging
- Unlimited archiving
- Email encryption
- E-Discovery for public information requests
- Data loss prevention (Social Security numbers, credit card numbers)
- Rights management for legal and compliance issues

Office 365 meets all compliance requirements including the Health Insurance Portability and Accountability Act and the Criminal Justice Information Systems security requirements for infrastructure and productivity. Both security and service continuity will be enhanced with this contract.

The implementation of Office 365 has facilitated the goal of relieving traffic congestion in central Austin by enabling mobility; providing numerous tools by which employees can continue to work productively and collaboratively from anywhere.

Many states and United States cities are currently using or in the process of deploying Office 365. Cities using this productivity platform include New York, Chicago, Phoenix, San Diego, Dallas, and San Jose.

The annual amount of the contract is based on the 15,490 employees, contractors and partners that have accessed the network and the existing software licenses. This

contract authorization includes a five percent contingency amount for new products and additional licenses to be added as required, with the additional costs to be billed upon an annual “true up” at the end of each contract year.

The City’s MSELA will be based on a cooperative contract through the State of Texas Department of Information Resources (DIR), which establishes competitively bid contracts that can be utilized by the State and other government agencies through a Cooperative Agreement. The DIR cooperative contracts save taxpayer dollars by leveraging the State’s volume-buying power to drive down costs on hundreds of technology contracts through a streamlined cooperative purchasing program.

The City currently has a Microsoft Office 365 enterprise agreement in place which expires on September 30, 2018, so it is critical that this new contract is in place before expiration.